

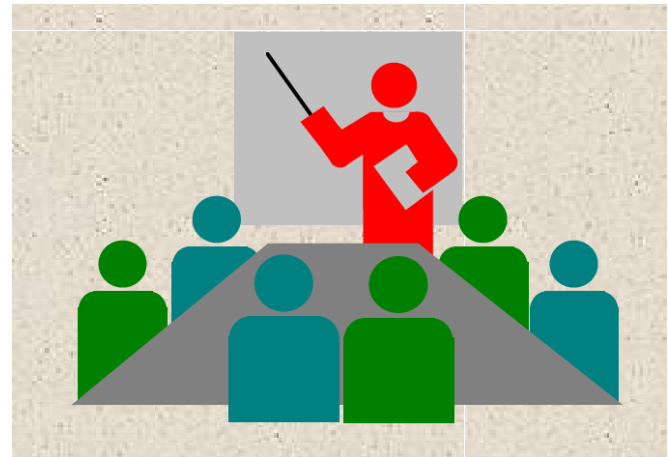
New Hampshire Northcoast



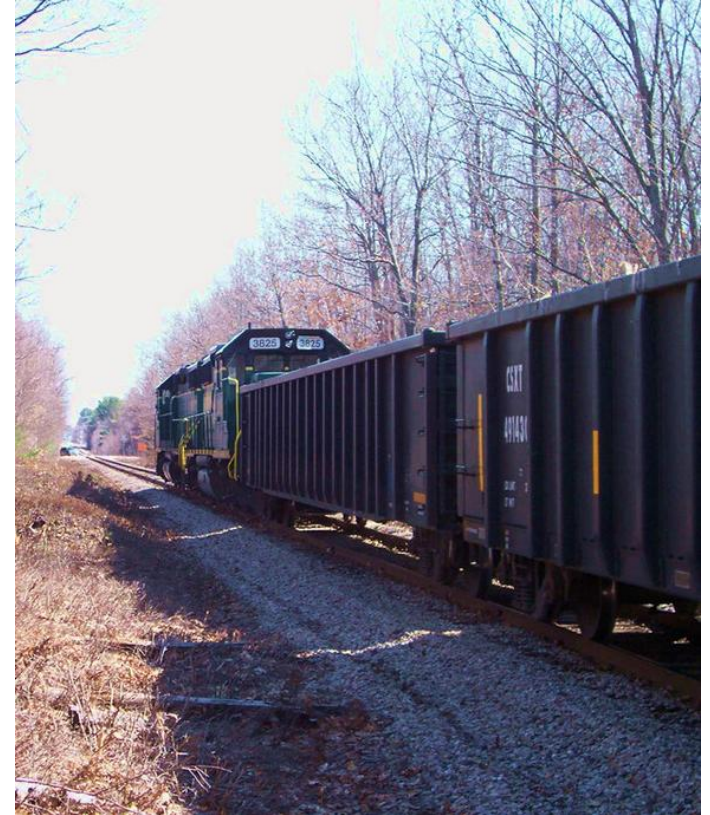
A Short Line Railroad

Overview

- NEARS theme...How is Rail “Fueling” the Economy?
- NHN – Plays unique role, “shipper” and “railroad”
- NHN – Part of the Boston Sand & Gravel Companies
- MA Facilities
- NH Facilities
- Pan Am and NHN at Work
- Operational Challenges
 - Derailments
 - Wash-outs
 - Winter weather
 - Impact of Regional Growth
- Future Growth Opportunities



New Hampshire Northcoast



- Servicing one of the largest “shippers” in the NE region
- Daily southbound service to Boston
- Daily northbound service to Rt. 16 Corridor and SE NH

Organization



MASSACHUSETTS

Boston Sand & Gravel

Lawrence Ready Mix

Rosenfeld Concrete Corp

Southeastern Concrete

NEW HAMPSHIRE

Manchester Sand & Gravel

Ossipee Aggregate Corporation

NH Northcoast Railroad

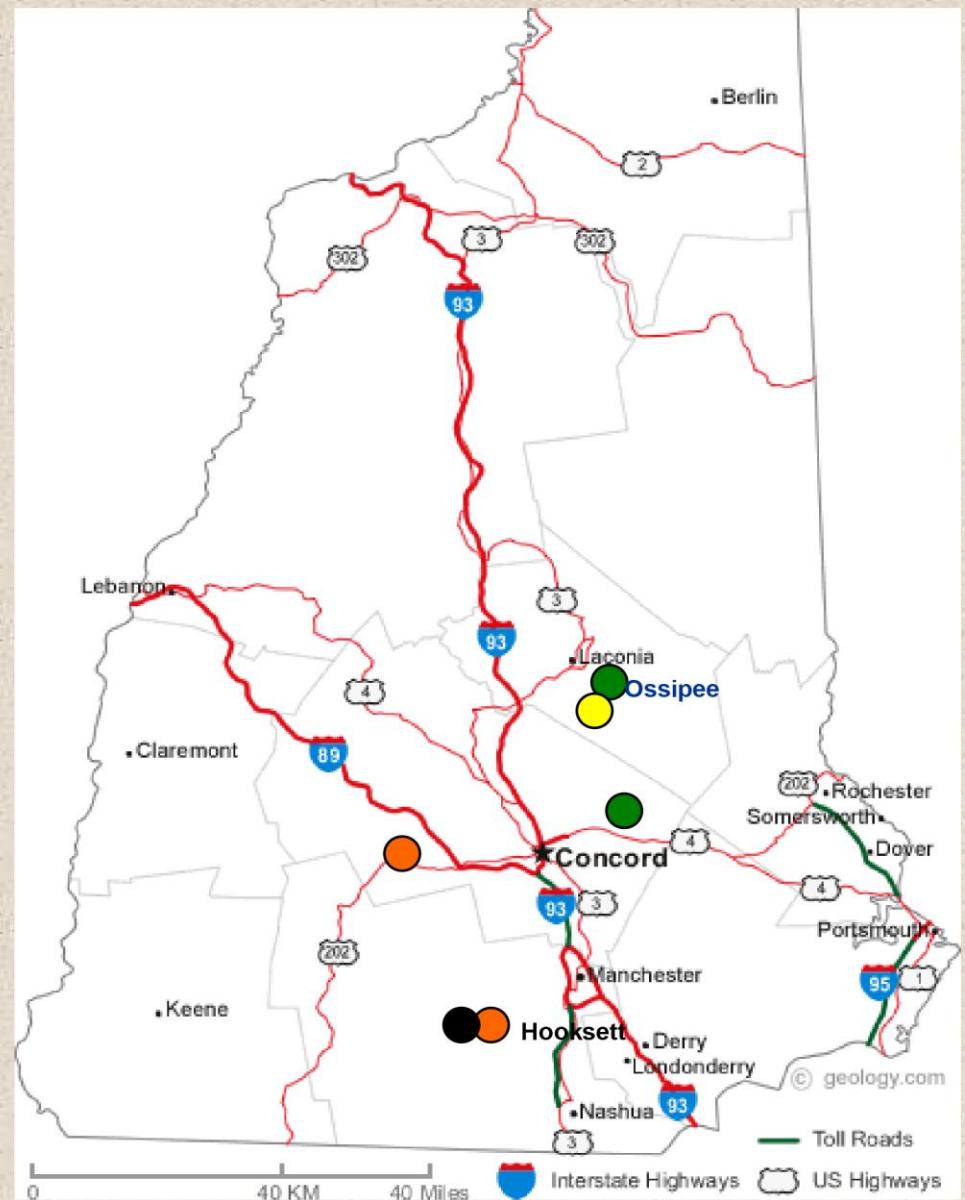
Outdoor World of New England

JMD Realty, Inc.

Location of New Hampshire Companies

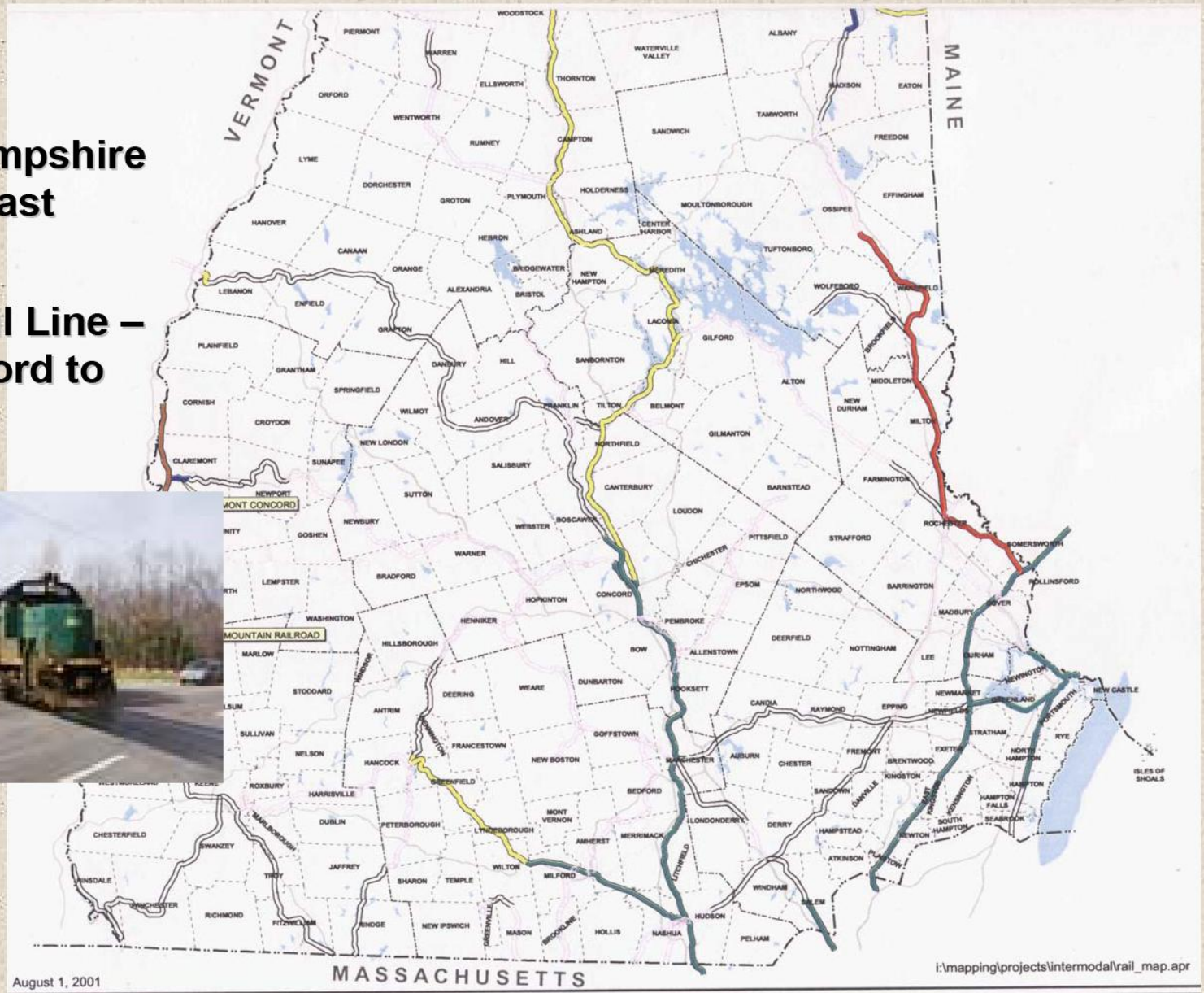
Map Key

- Manchester Sand & Gravel
- New Hampshire Northcoast
- Ossipee Aggregates
- Outdoor World of New England



New Hampshire Northcoast

NHN Rail Line – Rollinsford to Ossipee



New Hampshire Northcoast



- NHN was established in 1986, with the purchase of a section of the Conway Branch from the B&M
- Ownership of existing line completed with subsequent purchase of lower section
- NHN upgraded the line to its current Class III freight railroad status
- Ossipee – 43 acres of land dedicated to NHN operations for locomotive maintenance shop, railcar repair shop, side tracks and loading spur
- Rochester – Track Dept. Maintenance facility and base of operations

New Hampshire Northcoast



- **Track – 43 miles of track, yard spurs and sidings**
- **Equipment – 4 locomotives, 78 hopper cars (100 ton), caboose and various track maintenance equipment**
- **Daily operations – aggregates delivered to Charlestown, MA and Rochester, NH facilities daily**
- **Outside freight service – variety of commodities including steel, propane, others**

Ossipee Aggregates – Ossipee, NH



- Ossipee, NH – stone quarry, sand & gravel pits, stationary aggregate production plant
- Located on Route 16 corridor, just south of Conway, NH
- Local customer base – truck delivery within 30 mile radius
- Regional customer base – rail supplied through Rochester, NH and Charlestown, MA facilities

Ossipee Aggregates - Shipper



- **Ossipee Aggregates is one of the largest producers of washed sand and stone products in New England**
- **Railcars are loaded by Ossipee Aggregates at NHN's spur for delivery to inter-company yards in Rochester and Charlestown**

Ossipee Aggregates – Rochester, NH



- Rochester, NH – 20 acre site used for rail car off-loading and aggregates distribution
- Located 30 miles south of Ossipee, easily accessible to Rte. 16 in growing SE NH markets
- Local and regional aggregate customer base – supplied by NHN rail and redistributed by truck
- Rail supply of tankers to Eastern Propane Gas on adjoining property for truck distribution



Boston Sand & Gravel



NHN at BS&G's Charlestown Facility



- Daily Service
- Rail Car Off-Loading System
- Year-round Operations

BS&G's Charlestown Facility

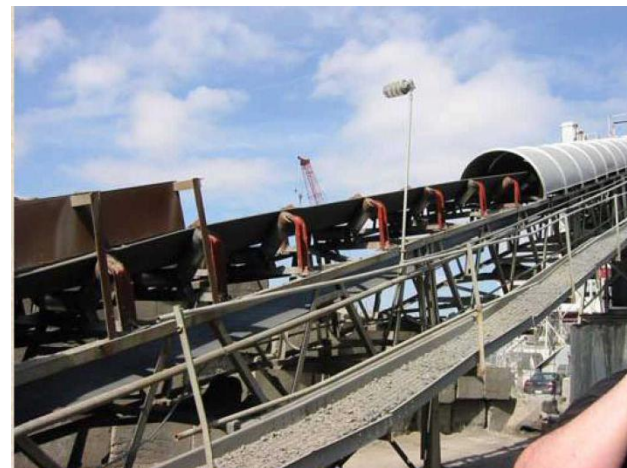


- **BS&G's Main Production Facility**
 - Located off I-93 in Charlestown, MA
 - Plays key role in servicing Boston construction markets
 - Markets mainly commercial and infrastructure work
- **Operations**
 - Production and delivery of ready mix concrete and flowfill
 - Distribution facility for sand and other aggregates

Bulk Materials – Delivery and Distribution



Fly ash, slag and cement arrive in bulk tankers, stored in silos.



Sand, stone and lightweight aggregate arrive primarily by rail, and stockpiled. Bulk materials offloaded from railcar for production or redistribution.

BS&G's Everett Facility



- **Everett facility has “tri-modal” options – truck, rail and ship**
- **Rail spur connects with Pan Am and CSX, enables link to BS&G's Rochester and Ossipee facilities, other points**

Pan Am and NHN at Work



- Long-standing working relationship
- Daily Interface
- “Patriot Corridor”
 - JV with NS-Pan Am
 - Benefit to customers and prospects for NHN

Operational Challenges for NHN



- Terrain
 - Derailments
 - Washouts
- Weather Impacts
- Growth and Congestion
 - Crossings
 - Safety

Terrain - Derailments



- Sink hole developed from heavy rain storm
- Pictured – May 2007 derailment
- Business interruption, costly repairs

Terrain - Washouts



- **Growth and development impacts**
 - Culvert flooding
 - Track washouts
- **Business interruption, costly repairs**

New Hampshire “Weather”



- **Creates challenges for rail operations**
- **NHN must provide daily, year-round service to both external and inter-company freight customers**
- **Pictured – Pan Am snow plowing in early 2008**

Crossing Safety



- Congested corridor - # crossings per mile
- SE NH regional growth increases risk of accidents
- NHN commitment to rail safety
 - Employee safety training program
 - RR Inspection program – FRA and NHDOT
 - Equipment upgrades – GPS unit
 - Operation Lifesaver

Future Growth Opportunities

- **Rail freight at Ossipee and Rochester**
 - Land available for interested rail users
 - Potential for increased “public delivery”
 - MacFarlane Steel transloading in yard
- **State of NH DOT**
 - Interest in expanding rail freight in NH
 - North Country and Seacoast focus
- **Potential to increase business growth in New Hampshire**